

DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 05-0352
Fiduciary Income Tax
For the Years 1998-1999

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ISSUES

I. Fiduciary Income Tax – Income of S Corporation shareholders

Authority: Ind. Code § 6-8.1-3-17

Taxpayer protests the assessment of adjusted gross income tax based on its interest as a shareholder in an S Corporation.

STATEMENT OF FACTS

Taxpayer is a trust that was assessed income tax on income derived as a shareholder in an S Corporation. Taxpayer filed a protest of the tax. During Indiana Tax Amnesty, Taxpayer paid the taxes assessed.

I. Fiduciary Income Tax – Income of S Corporation shareholders

DISCUSSION

Taxpayer argued that the assessment of additional income tax was erroneous. Taxpayer paid the base tax liability in question between September 15, 2005, and November 15, 2005. By opting into the Indiana Tax Amnesty program and paying the base tax liability during the amnesty period, Taxpayer has withdrawn its protest of base tax, and has agreed to forego any rights to refund, further protest, or appeal of the tax liability. Accordingly, Taxpayer's protest of base tax is denied, and interest and penalties are waived per Ind. Code § 6-8.1-3-17(c).

FINDING

Taxpayer's protest is sustained in part and denied in part.